

Article - Health - General

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§19–337.

(a) (1) Except as expressly provided otherwise in this section, each receiver who is appointed under Part V of this subtitle has all of the powers of a receiver who is appointed under § 3-414 of the Corporations and Associations Article.

(2) The receiver shall perform all acts that are necessary and exercise the powers of the receiver to:

(i) Correct each condition on which the appointment of the receiver was based;

(ii) Ensure adequate care for each individual in the nursing home or community program; and

(iii) Preserve the property of the owner of the nursing home or community program.

(b) The receiver shall report to the court as the court requires.

(c) The receiver of a nursing home or community program shall:

(1) Give each individual and interested parties with respect to each individual notice of the receivership;

(2) Preserve all property of and records that relate to an individual and are in the custody of the receiver or the owner or operating entity;

(3) If an individual is to be discharged or transferred:

(i) Explain to the individual or guardian of the individual the alternative placements that are available;

(ii) Help the individual or guardian of the individual to find an alternative placement;

(iii) Give information about the alternative placement chosen;

(iv) Transport the individual to the alternative placement; and

(v) Transfer all property of and records on the individual, including all necessary medical information, to the individual or the alternative placement.

(d) The receiver may use:

(1) Any private or third-party reimbursements to the nursing home, including any Medicaid or Medicare payments; and

(2) With the approval of the court, money from the fund established under § 19-338 of this subtitle.

(e) If the structure or furnishings of a nursing home or site of the community program violate State or federal law, the receiver may correct the violation:

(1) Without the consent of the court, if the cost of the correction does not exceed \$3,000; or

(2) On petition to and with the consent of the court, if the cost of the correction is more than \$3,000.

(f) (1) The receiver shall pay the principal of and interest on a mortgage or secured transaction unless the holder of the mortgage or the secured party is the owner or an affiliate of the owner.

(2) On petition of a receiver, the court may:

(i) Allow the receiver to avoid a lease, mortgage, secured transaction, or other contract that the owner or operating entity made if:

1. The person seeking payment under the contract is, or at the time the contract was made was, the owner or an affiliate of the owner; and

2. The contract provides for a rent or interest rate substantially exceeding the rent or interest rate that was reasonable when the contract was made; and

(ii) If the receiver is allowed to avoid the contract, set a reasonable rent or interest rate to be paid on any property that is subject to the contract and is needed to continue operation of the nursing home or community program.

(3) The court shall hold a hearing on a petition under this subsection within 15 days after the petition is filed.

(4) Notice of the petition shall be given to all known owners of property that the petition affects:

(i) By the receiver, at least 10 days before the hearing; or

(ii) By publication, if the receiver files with the court a statement that:

1. Is signed and verified by the receiver;

2. States that the owner of the property cannot be found; and

3. Sets forth a substantial account of reasonable, good faith efforts to find the owner and serve process.

(5) The court shall set a rent under this subsection in an amount that is not less than the total current payments of principal and interest required on all mortgages and secured transactions that:

(i) Affect the property under the contract to be avoided; and

(ii) Cannot be avoided under this subsection.

(6) Payment of the rent or interest rate that a court sets under this subsection is a defense in any action against the receiver for payment or for possession of the property. However, the payment does not relieve the owner or operating entity of any liability for the difference between the amount that the receiver pays and the amount that is due under the contract.

(g) (1) A receiver is not liable for an injury to person or property that results from the condition of the nursing home or site of the community program.

(2) A receiver only is liable for any act or omission that constitutes negligence in the fulfillment of the duties as receiver.

(h) A receiver is entitled to the fee that the court finds reasonable.

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